

## Division of Revenue

November 12, 2003

### Technical Information Memorandum 2003-02

**Subject: Optional Three-Year Business License Renewal**

**Contact: Selena Gardner, (302) 577-8238, [Selena.Gardner@state.de.us](mailto:Selena.Gardner@state.de.us)**

House Bill 241 of the 142<sup>nd</sup> General Assembly of the State of Delaware amended sections 2102 and 2108, of Title 30 of the Delaware Code to allow persons licensed under this Section the option to renew their business license for a term of (3) three years.

#### **General Term of Licenses**

All licenses under this Title shall be for a term of (1) year, expiring on December 31st. A lost or stolen business license may be replaced for the unexpired period upon payment of a \$15.00 fee to the Division of Revenue.

#### **Optional Three Year License**

Effective for licenses expiring on or after December 31, 2003, persons currently licensed under this section **may, but are not required to**, renew their licenses for a 3 year period by paying 3 times the license fee amount due at time of renewal. If you make this election, you will receive a business license that will be valid through December 2006. Renewal notices will not be sent to you for license years 2005 or 2006. New applicants for business licenses will be issued a one-year license for their first calendar year. Thereafter the licensee may elect to renew for three years. A two-year license is not permitted.

#### **Renewal Cycle for Multiple Locations**

If you elect the optional three-year license you must make this election for **all** of your locations for a specific business activity. For example, you are a retailer with five locations. You must renew your retail business license at each location for three years. An election made by any business location to renew for three years will be deemed an election made for **all** business locations with the same business activity.

If you conduct more than one activity at the same location that requires a **separate** business license, you **do not** have to renew such license for three years. You may elect to renew this business license for three years but you are not required to do so.

#### **Renewal Cycle for New Locations**

Holders of a 3-year license that add locations or units before the expiration of their three year license are permitted to pro-rate the license fee for the new location's three year license. The license for the new location will be issued for the remaining term of the

three-year license of all other locations. For example, you are a retailer who opens a new location on January 1<sup>st</sup> of the second year of a three license for the other locations. The new location would pay the fee for two years and that location would be on the same renewal cycle as the other locations.

### **No License Refunds for Unexpired Licenses**

A licensee, who goes out of business, closes a location or removes a unit before the expiration of the license issued for such location is not entitled to receive a refund for any portion of the license fee attributable to such unexpired license.

Patrick T. Carter

Director of Revenue